13 Claiming the Standard Deduction or Itemized Deductions

Claim the standard deduction only if it exceeds your allowable itemized deductions for mortgage interest, property taxes, medical costs, charitable donations, casualty losses, and miscellaneous deductions for job costs and investment expenses. Generally, a single person may claim a 1996 standard deduction of $4,000; a head of household, $5,900; a married couple filing jointly, or a qualifying widow(er), $6,700; and a married person filing separately, $3,350. Larger standard deductions are allowed to those who are age 65 or over or blind, and lower standard deductions are allowed to dependents with only investment income.

Before deciding whether to itemize or claim the standard deduction, read Chapters 14 through 21 to see that you have not overlooked any itemized deductions. To itemize, you must file Form 1040 and report your deductions on Schedule A.

Key to Itemized Deductions and the Standard Deduction

Item—	*Explanation—*	*Limitations and examples—*
Standard deduction	The standard deduction is fixed by law according to your filing status and age. The standard deduction in 1996 is: $6,700 if you are married filing jointly or a qualifying widow or widower. $4,000 if you are single. $5,900 if you are a head of household. $3,350 if you are married filing separately. If you are age 65 or over or blind, your standard deduction is substantially larger; *see* ¶13.4.	Married persons filing separately may not use the standard deduction if their spouses itemize deductions. The standard deduction may not be claimed by a nonresident or dual-status alien or on a return filed for a short taxable year caused by a change in accounting period. A lower standard deduction of $650 is allowed to dependents with only unearned income; *see* ¶13.5.
Itemized deductions	You should itemize deductions on Schedule A if your deductions exceed the standard deduction for your filing status. Itemized deductions include charitable contributions, interest expenses, local and state taxes, medical and dental costs, casualty and theft losses, job and investment expenses, and educational costs.	There is no dollar limit on the amount of itemized deductions. But individual itemized deductions are subject to limitations and some taxpayers are subject to a 3% reduction as explained below. **EXAMPLE** You are single and may claim the standard deduction of $4,000. However, your itemized deductions are $5,000. You claim $5,000 on Schedule A of Form 1040.
3% reduction	If your 1996 adjusted gross income (AGI) exceeds $117,950, itemized deductions other than medical expenses, casualty and theft losses, gambling losses, and investment interest expenses are reduced by 3% of the excess AGI over $117,950. If you are married filing separately, the reduction applies if your AGI exceeds $58,975; *see* ¶13.8.	The total reduction may not exceed 80% of your deductions. **EXAMPLE** Your joint adjusted gross income (AGI) is $156,600. Your itemized deductions, such as mortgage interest, state income taxes, and job expenses, are $20,000. The AGI excess over $117,950 is $38,650. Therefore, itemized deductions are reduced by $1,159.50 (3% of $38,650) to $18,840.50 ($20,000 – $1,159.50).
Charitable contributions	You may deduct donations to religious, charitable, educational, and other philanthropic organizations that have been approved to receive deductible contributions; *see* ¶14.1.	The contribution deduction is generally limited to 50% of adjusted gross income. Lower ceilings apply to property donations and contributions to foundations. The deductible amount is included in the 3% reduction explained above.
Interest expenses	You may deduct interest on qualified home mortgages, points, home equity loans, and interest on loans to carry investments.	Interest on investment loans is deductible only up to extent of net investment income. Interest on personal and consumer loans is not deductible. Interest on home mortgages that do not meet tests of ¶15.1 is not deductible. Interest on home mortgages and points are included in the 3% reduction explained above.
Taxes	You may deduct payments of state, local, and foreign real property and income taxes, as well as state and local personal property taxes. You claim your deduction on the tax return of the year in which you paid the taxes, unless you report on the accrual basis; *see* ¶16.6.	No dollar limitation. The deductible amount is included in the 3% reduction explained above.
Medical expenses	You may deduct payments of medical expenses for yourself and dependents. A checklist of over 100 deductible medical items is at ¶17.2. Deductible drug costs are limited to drugs prescribed by a physician.	Only expenses in excess of 7.5% of adjusted gross income are deductible.
Casualty and theft losses	You may deduct personal property losses caused by storms, fires, and other natural events and as the result of theft.	Each individual casualty loss must exceed $100 and the total of all losses during the year must exceed 10% of adjusted gross income; *see* ¶18.11.
Job expenses	You may deduct unreimbursed costs of union dues, job educational courses, work clothes, entertainment, travel, and looking for a new job.	Included as miscellaneous expenses of which only the excess over 2% of adjusted gross income is deductible; *see* ¶19.1. The 2% floor does not apply to performing artists (¶19.4), handicapped employees (¶19.4), or job-related moving expenses (¶21.1). The deductible amount is included in the 3% reduction explained above.
Investment expenses	You may deduct investment expenses and other expenses of producing and collecting income, expenses of maintaining income-producing property, expenses of tax return preparation, refunds, and audits.	Included as miscellaneous expenses of which only the excess over 2% of adjusted gross income is deductible; *see* ¶19.1.

¶13.1 Claiming the Standard Deduction

On your 1996 return, you are allowed a standard deduction, which may be claimed regardless of your actual expenses. The standard deduction is not integrated into the tax rate schedules or tax tables. On your return, you deduct the standard deduction from adjusted gross income (AGI), assuming you do not claim itemized deductions on Schedule A of Form 1040; *see* the Example below.

The *basic standard deduction* is allowed if you are under age 65 and not blind. The amount is adjusted each year to reflect inflation. For 1996, the basic standard deduction is:

$6,700 if married filing jointly or a qualifying widow(er);
$5,900 if filing as a head of household;
$4,000 if single; and
$3,350 if married filing separately.

A married person filing separately must itemize deductions and may not claim any standard deduction if the other spouse itemizes on a separate return; *see* ¶13.3.

Age 65 or older or blind. For taxpayers age 65 or over, or taxpayers of any age who are blind, the basic standard deduction is increased by an additional amount; *see* ¶13.4.

Dependents. Individuals who may be claimed as dependents by other taxpayers are generally limited to a $650 standard deduction, unless they have earned income; *see* ¶13.5.

Dual-status alien. You are generally not entitled to any standard deduction if for part of the year you are a nonresident and part of the year a resident alien. However, a standard deduction may be claimed on a joint return if your spouse is a U.S. citizen or resident and you elect to be taxed on your worldwide income; *see* ¶1.8.

EXAMPLE

Ben Green is age 25 and single. In 1996, he has salary income of $35,000 and interest income of $2,000. He is not covered by a company retirement plan and contributed $2,000 to an IRA. Green claims the standard deduction because his itemized deductions are less than $4,000.

Gross income:		
Salary	$35,000	
Interest income	2,000	$37,000
Deduction from gross income:		
IRA (¶8.3)		2,000
Adjusted gross income		$35,000
Less: Standard deduction		3,900
		$31,100
Less: Exemption (¶22.1)		2,550
Taxable income		$28,450

¶13.2 When To Itemize

Claim the standard deduction only if it exceeds your allowable itemized deductions for charitable donations, certain local taxes, interest, allowable casualty loss, miscellaneous expenses, and medical expenses. If your deductions exceed your standard deduction, you elect to itemize by claiming the deductions on Schedule A of Form 1040.

EXAMPLE

Ellen Bates is single and her 1996 adjusted gross income is $35,000. Her itemized deductions total $5,200. As the $4,000 standard deduction is less than her itemized deductions, she claims itemized deductions of $5,200 on Schedule A.

Changing an election. If you filed your return using the standard deduction and want to change to itemized deductions, or you itemized and want to change to the standard deduction, you may do so within the three-year period allowed for amending your return. If you are married and filing separately, each of you must consent to and make the same change; you both must either itemize or claim the standard deduction.

¶13.3 Husbands and Wives Filing Separate Returns

If you file separate returns for 1996, you and your spouse must first decide whether you will claim itemized deductions or limit yourselves to a standard deduction of $3,350 each. You must make the same election. That is, if one spouse has itemized deductions exceeding $3,350 and elects to itemize, the other spouse must also itemize, even if his or her itemized deductions are less than $3,350.

On a separate return, each spouse may deduct only those itemized expenses for which he or she is liable. This is true even if one spouse pays expenses for the other. For example, if a wife owns property, then the interest and taxes imposed on the property are her deductions, not her husband's. If he pays them, neither one may deduct them on separate returns. The husband may not because they were not his liability. The wife may not because she did not pay them. This is true also of casualty or theft losses.

Claiming itemized deductions when you are living apart from your spouse. When a husband and wife are divorced or legally separated under a decree of divorce or separate maintenance, they are free to compute their tax as they see fit, without reference to the return of the other spouse. They are treated as single. If one spouse has itemized deductions, that spouse may elect to claim them, and

the other spouse is not required to itemize. The standard deduction is not limited to $3,350. Head of household tax rates may be available under the rules of ¶1.10.

If a husband and wife are separated but do not have a decree of divorce or separate maintenance, both must either itemize or claim the 1996 standard deduction of $3,350. There is an exception if you are married and live apart from your spouse and meet the following conditions:

Your spouse was not a member of your household during the last six months of 1996.

You maintained as your home a household which was, for more than half of 1996, the principal place of abode for your child, adopted child, foster child, or stepchild.

You are entitled to claim the child as a dependent (¶22.1) or the child's other parent has the right to the exemption under the rules of ¶22.11.

You provide over half the cost of supporting the household.

If you satisfy these conditions and file a separate return, you generally may file your return as a head of household; however, a foster child must live with you for the entire year (except for temporary absences) to qualify you for head of household status. You may elect to itemize without regard to whether your spouse itemizes or not. If you elect not to itemize, your 1996 standard deduction as a head of household is $5,900 if you are under age 65 and not blind. If you are age 65 or over or blind, your standard deduction is substantially larger; *see* ¶13.4.

¶13.4 Standard Deduction If 65 or Older or Blind

A larger standard deduction is provided for persons who are age 65 or over or who are blind. The larger deduction for blindness is allowed regardless of age.

Age and blindness are determined as of December 31, 1996. However, if your 65th birthday is January 1, 1997, you may claim the standard deduction for those age 65 or over on your 1996 return.

Your total standard deduction consists of two parts: (1) The basic standard deduction shown in ¶13.1 for your filing status; plus (2) an extra standard deduction for being age 65 or older, or blind. The amount of the extra deduction is $1,000 if you are filing as single or head of household; $800 if you are married, whether filing jointly or separately, or your filing status is qualifying widow(er). The chart in the next column lists the total standard deduction, including the extra amount.

If you are married filing separately, you may claim the standard deduction only if your spouse also claims the standard deduction on his or her return.

Check applicable boxes

	65 or older	*Blind*
Yourself	☐	☐
Your spouse if claiming spouse as exemption (¶22.2)	☐	☐

Total checks_____

If you are—	*Number of checks are—*	*Standard deduction is—*
Single	1	$5,000
	2	6,000
Married filing jointly or qualified widow or widower (¶1.6)	1	7,500
	2	8,300
	3	9,100
	4	9,900
Married filing separately	1	4,150
	2	4,950
	3	5,750
	4	6,550
Head of household (¶1.10)	1	6,900
	2	7,900

¶13.5 Standard Deduction for Dependents

The following restrictive rules apply to you only if you may be claimed as a dependent. If you earn gross income of $2,550 or more in 1996, you may *not* be claimed as a dependent by anyone other than your parent, and only if you are under age 19 or a full-time student under age 24; *see* ¶22.6. If you are *not* a dependent because of the $2,550 income test, your standard deduction is shown in ¶13.1 or in ¶13.4. If you *may* be claimed as a dependent, your standard deduction is figured under the rules below. You *may* elect to itemize deductions if these exceed the allowable standard deduction. If you are married and your spouse itemizes on a separate return, you *must* itemize; *see* ¶13.3.

Dependent under age 65 and not blind. If you can be claimed as another taxpayer's dependent for 1996, your standard deduction is the greater of $650 or *earned income*, but no more than the basic standard deduction shown in ¶13.1 for your filing status. If you have wages over $650, your deduction equals the wages, up to the regular standard deduction for nondependents. For example, if you had interest income of $400 and wages from a short-term job of $500,

your standard deduction is $650 (the greater of $650 and earned income of $500). If you are your parent's dependent (¶22.6) and earn wages exceeding $2,550, your standard deduction equals the wages up to $4,000, the maximum amount for a single dependent who is under age 65 and not blind.

Dependents age 65 or older or blind. Your standard deduction is figured in two steps:

Step 1. The greater of $650 and earned income up to the basic standard deduction amount shown in ¶13.1; *plus*

Step 2. $800 if you are married or a qualifying widow or widower, or $1,000 if single or head of household. If you are age 65 or older and you are also blind, add $1,600 if married or a qualifying widow or widower, or $2,000 if single or head of household.

The worksheets below and in the next column incorporate these two steps for computing your 1996 standard deduction.

STANDARD DEDUCTION FOR DEPENDENTS WITH EARNED INCOME OF $650 OR LESS

If your filing status is—	*Standard deduction is—*
Single or head of household	
Under age 65 and not blind	$ 650
Age 65 or older or blind	1,650
Age 65 or older and blind	2,650
Married, or qualifying widow(er)	
Under age 65 and not blind	$ 650
Age 65 or older or blind	1,450
Age 65 or older and blind	2,250

STANDARD DEDUCTION FOR DEPENDENTS WHO ARE UNDER AGE 65 AND NOT BLIND WITH EARNED INCOME EXCEEDING $650

1. Enter your earned income.* $________
2. Enter:
   $4,000 if you are single,
   $5,900 if head of household,
   $6,700 if qualifying widow(er) or married filing jointly, or
   $3,350 if married filing separately. ________
3. Enter the smaller of Lines 1 and 2.
   This is your standard deduction. ________

*Include pay for services and taxable scholarships (¶12.4). However, if your gross income (earned and unearned) is $2,550 or more, you may be claimed as a dependent only by your parent, and only if you are under age 19 or a full-time student under age 24; *see* ¶22.6.

STANDARD DEDUCTION FOR DEPENDENTS WHO ARE AGE 65 OR OLDER OR BLIND WITH EARNED INCOME EXCEEDING $650

1. Enter your earned income.* $________
2. Enter:
   $4,000 if you are single,
   $5,900 if head of household,
   $6,700 if qualifying widow(er) or married filing jointly, or
   $3,350 if married filing separately. ________
3. Enter the smaller of Lines 1 and 2. ________
4. Enter:
   $1,000 if you are single or head of household and are either age 65 or older or blind.
   $800 if you are married filing jointly or separately, or a qualifying widow(er) and are either age 65 or older or blind.
   If both age 65 or older and blind, the $1,000 or $800 amounts are doubled to $2,000 and $1,600. ________
5. Add Lines 3 and 4.
   This is your standard deduction. ________

*Include pay for services and taxable scholarships (¶12.4). However, if your gross income (earned and unearned) is $2,550 or more, you may be claimed as a dependent only by your parent, and only if you are under age 19 or a full-time student under age 24; *see* ¶22.6.

EXAMPLES

1. Jane Dell claims her widowed mother, Beth, who is age 67, as her dependent for 1996. Beth has interest income of $500, wages of $2,000, and Social Security benefits of $10,000 that are exempt from tax under the rules of ¶34.3. Beth's standard deduction is $3,000: $2,000 (the greater of $650 and her earned income of $2,000) plus $1,000, the additional deduction for a single person over age 65. Beth's taxable income is zero. Although her gross income of $2,500 is below the filing threshold (*see* Test 2 for dependents on page 3), she should file a tax return to obtain a refund of income tax withheld from her wages.
2. Same as Example 1 except Beth's wages are $500 and interest income is $2,000. Her standard deduction is $1,650: $650 (the greater of $650 and $500 of earned income) plus the additional standard deduction of $1,000. Beth must file a tax return since her investment income exceeds $1,650 (*see* Test 2 for dependents on page 3). Her taxable income is $850 ($2,500 – $1,650 standard deduction). She cannot claim a personal exemption for herself since she is Jane's dependent (¶22.1).

¶13.6 Prepaying or Postponing Itemized Expenses

Before the end of the year, check your records for payments of deductible itemized expenses. If you find that your payments up to that time are slightly less than the allowable standard deduction for that year, accelerating payment of an expense that you would otherwise pay in the following year could allow you to itemize. For example, at the end of 1996, you may make an additional charitable contribution, or pay a state or local tax bill not due until 1997, or

extend by one year professional association dues or job-related subscriptions. You cannot deduct prepayments of interest, insurance premiums, or rent on investment property.

On the other hand, making the year-end payment might still not increase your deductions enough to itemize. In that case, you would get no tax benefit from the payment. By postponing the payment until the next year, you may make it easier to itemize on that year's return.

If your year-to-year payments of itemized expenses have consistently been below the standard deduction, a prepayment or postponement strategy may allow you to itemize in at least one of two consecutive years, enabling you to reduce your taxes over the two-year period without increasing your overall expenditures; *see* the following Example.

EXAMPLE

In 1996, you are single and you estimate that your itemized deductions will be $3,500. You expect to have about the same amount of expenses in 1997. You could choose to take the standard deduction of $4,000 in 1996. But towards the end of 1996, you can prepay a state income tax of $900 to raise your itemized deductions to $4,400. Without increasing your expenditures over a two-year period by making the prepayment, you have increased your deductions by $500. In 1996, you deduct itemized deductions of $4,400. If you cannot itemize in 1997, your standard deduction will exceed the 1996 standard deduction of $4,000 after an inflation adjustment; *see* the Supplement for the 1997 standard deduction.

¶13.7 Adjusted Gross Income Floors for Certain Deductions

Adjusted gross income is a technical term used in the tax law. It is the amount used in figuring the 7.5% floor for the medical expense deductions (¶17.1), the 10% floor for personal casualty and theft losses (¶18.11), the 2% floor for miscellaneous itemized deductions (¶19.1), the charitable contribution percentage limitations (¶14.17), and the 3% reduction of itemized deductions (¶13.8) for certain taxpayers. If you follow the instructions and order of the tax return, you will arrive at adjusted gross income without having to understand the following steps. But if you are planning the tax consequences of a transaction in advance of preparing your return, this is how to figure adjusted gross income.

Adjusted gross income is the difference between gross income in Step 1 and the deductions listed in Step 2.

Step 1. Figure gross income. This is all income received by you from any source, such as wages, salary, tips, gross business income, income from sales and exchanges of property, interest and dividends, rents, royalties, annuities, pensions, etc. But gross income does not include such items as tax-free interest from state or local bonds (¶4.24), tax-free parsonage allowance (¶3.12), tax-free insurance proceeds (¶11.5), gifts and inheritances (¶11.1), Social Security benefits which are not subject to tax under the rules of ¶34.3, tax-free scholarship grants (¶12.4), tax-free board and lodging (¶3.11), and other tax-free fringe benefits (Chapter 3).

Step 2. Deduct from gross income only the following items:

Trade or business expenses (Chapter 40).
Capital loss deduction up to $3,000 (¶5.3).
Net operating losses (¶40.17).
Expenses to produce rent and royalty income (Chapter 9).
Contributions to a Keogh or SEP retirement plan for yourself (Chapter 41).
Deduction for 50% of self-employed tax liability (¶46.3).
Deductible contributions to IRAs (¶8.4).
Alimony payments (¶37.1).
Health insurance deduction for self-employed (¶17.6).
Moving expenses (¶21.5)
Forfeiture of interest penalties because of premature withdrawals (¶4.16).
Repayment of supplemental unemployment benefits required because of receipt of trade readjustment allowances (¶2.9).
Certain expenses of performing artists (¶19.4).
Jury duty pay turned over to your employer (¶19.1).
Reforestation expenses.

Step 3. The difference between Steps 1 and 2 is adjusted gross income.

¶13.8 3% Itemized Deduction Reduction

If your 1996 adjusted gross income (AGI) exceeds $117,950 ($58,975 if married filing separately) some of your itemized deductions are disallowed. First figure your itemized deductions under the regular rules; *see* Chapters 14 through 21 for details and limitations on specific types of expenses. Then reduce the total of otherwise allowable itemized deductions by the following, which are *not* subject to the 3% reduction:

- Medical and dental expenses,
- Investment interest,
- Casualty losses,
- Theft losses, and
- Gambling losses

The balance of your itemized deductions are generally reduced by 3% of the excess of your AGI over the $117,950 (or $58,975) threshold. Use the worksheet on the next page to figure the reduction. The 3% reduction creates an added tax cost to earning additional income; *see* ¶28.2.

WORKSHEET FOR 3% REDUCTION

1.	Enter your adjusted 1996 gross income.	$________
2.	Enter $117,950 ($58,975 if married filing separately).	________
3.	Subtract Line 2 from Line 1.	________
4.	Multiply the amount on Line 3 by 3% (.03).	________
5.	Enter total allowable itemized deductions from Schedule A before the 3% reduction.	________
6.	Enter the amount included on Line 5 for allowable medical and dental expenses, investment interest, casualty or theft losses, and gambling losses. These deductions are *not* subject to the reduction.	________
7.	Subtract Line 6 from Line 5.*	________
8.	Multiply the amount on Line 7 by 80% (.80).	________
9.	Enter the smaller of Line 4 and Line 8. This is the disallowed amount.	________
10.	Subtract Line 9 from Line 5. This is the net amount of itemized deductions you may claim on your 1996 return.	$________

**If the amount on Line 7 is zero, the reduction does not apply.*

EXAMPLE

Dan Sommer is single and his 1996 adjusted gross income on Form 1040 is $193,600. His itemized deductions total $31,000:

Medical expense deduction	$ 1,000
State and local income taxes	16,000
Real estate taxes	2,000
Home mortgage interest	5,000
Charitable donation	6,000
Miscellaneous expenses	1,000
Total	$31,000

All of the deductions except medical expenses are subject to the 3% reduction.

Following the steps of the worksheet shown in the left column of this page, Dan figures that $2,270 of his deductions are disallowed, leaving a net deduction of $28,730, figured as follows:

1.	Adjusted gross income	$193,600
2.	*Less:* threshold	117,950
3.	Excess	75,650
4.	3% of Line 3	2,270
5.	Itemized deductions	31,000
6.	*Less:* medical deductions (not subject to the 3% reduction)	1,000
7.	Itemized deductions subject to the 3% reduction	30,000
8.	80% of Line 7	24,000
9.	Smaller of (4) and (8) is disallowed	2,270
10.	Net itemized deductions allowable on Schedule A (Line 5 *less* Line 9)	$28,730

Schedule A — Worksheet (see Example on page 229)

Name(s) shown on Form 1040: Dan Sommer

Your social security number: XXO : OX : X11X

Medical and Dental Expenses		**Caution:** *Do not include expenses reimbursed or paid by others.*				
	1	Medical and dental expenses (see page A-1)	1	15,520		
	2	Enter amount from Form 1040, line 32 . [2] 193,600				
	3	Multiply line 2 above by 7.5% (.075)	3	14,520		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	1,000
Taxes You Paid (See page A-1.)	5	State and local income taxes	5	16,000		
	6	Real estate taxes (see page A-2)	6	2,000		
	7	Personal property taxes	7	0		
	8	Other taxes. List type and amount ►	8			
	9	Add lines 5 through 8			9	18,000
Interest You Paid (See page A-2.)	10	Home mortgage interest and points reported to you on Form 1098	10	5,000		
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address ►	11			
Note: Personal interest is not deductible.	12	Points not reported to you on Form 1098. See page A-3 for special rules	12			
	13	Investment interest. If required, attach Form 4952. (See page A-3.)	13			
	14	Add lines 10 through 13			14	5,000
Gifts to Charity	15	Gifts by cash or check. If you made any gift of $250 or more, see page A-3	15	6,000		
If you made a gift and got a benefit for it, see page A-3.	16	Other than by cash or check. If any gift of $250 or more, see page A-3. If over $500, you **MUST** attach Form 8283	16			
	17	Carryover from prior year	17			
	18	Add lines 15 through 17			18	6,000
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-4.)			19	
Job Expenses and Most Other Miscellaneous Deductions	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. If required, you **MUST** attach Form 2106 or 2106-EZ. (See page A-5.) ►	20			
	21	Tax preparation fees	21	300		
(See page A-5 for expenses to deduct here.)	22	Other expenses—investment, safe deposit box, etc. List type and amount ► Tax Court Legal Fees $ 4,572	22	4,572		
	23	Add lines 20 through 22	23	4,872		
	24	Enter amount from Form 1040, line 32 . [24] 193,600				
	25	Multiply line 24 above by 2% (.02)	25	3,872		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-			26	1,000
Other Miscellaneous Deductions	27	Other—from list on page A-5. List type and amount ►			27	
Total Itemized Deductions	28	Is Form 1040, line 32, over $117,950 (over $58,975 if married filing separately)? **NO.** Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 34, the **larger** of this amount or your standard deduction. **YES.** Your deduction may be limited. See page A-5 for the amount to enter.			28	28,730